BUSINESS AND COMMERCE CODE

TITLE 5. REGULATION OF BUSINESSES AND SERVICES

SUBTITLE C. BUSINESS OPERATIONS

CHAPTER 103. APPRAISALS IMPROPERLY INDUCED BY MORTGAGE LENDERS

Sec. 103.001. DEFINITIONS. In this chapter:

(1) "Lender" means a person who lends money for or invests money in mortgage loans.

(2) "Mortgage loan" means a loan secured by a deed of trust, security deed, or other lien on real property.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 2.01, eff. April 1, 2009.

Sec. 103.002. CRIMINAL PENALTY. (a) A lender commits an offense if in connection with a mortgage loan transaction the lender pays or offers to pay a person, including an individual licensed or certified by the Texas Appraiser Licensing and Certification Board or the Texas Real Estate Commission, a fee or other consideration for appraisal services and the payment:

(1) is contingent on a minimum, maximum, or pre-agreed estimate of value of property securing the loan; and

(2) interferes with the person's ability or obligation to provide an independent and impartial opinion of the property's value.

(b) An offense under this section is a Class A misdemeanor.

(c) An instruction a lender gives to a real estate appraiser regarding a legal or other regulatory requirement for the appraisal of property, or any other communication between a lender or real estate appraiser necessary or appropriate under a law, regulation, or underwriting standard applicable to a real estate appraisal, does not constitute interference by a lender for purposes of Subsection (a)(2).

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 2.01, eff. April 1, 2009.